(4) The commissioned vendors should be required to sell measures at prices to be fixed by the Director of Industries and Commerce with the approval of Government. A list of scheduled rates at which the measures are sold singly or in set, will be posted in a prominent place in each Taluk Treasury for the information of the public.

(5) Stock should be taken of the measures issued to every Treasury, once in each half-year by a responsible officer and the result recorded in the stock book.

(6) Expenditure incurred towards packing, transport, etc., of the measures will be kept separate from the advance account and charged directly to a service head, under which necessary provision will be made in the Budget of future years, the expenses during the current year being met by reappropriation of the grants in the Budget of the Industries and Commerce Department for the current year. The Director is requested to report the amount required in this connection during the current year. When the sales are made the actual cost of the measures to Government should alone be credited to the advance account and the balance, if any, should be separately classified as an item of revenue, to set off the incidental charges directly borne by Government in this connection. These adjustments will be made by the Treasuries in accordance with the instructions to be issued by the Comptroller in consultation with the Director.

(7) The Taluk Treasuries will be directed to submit a monthly statement to the District Treasuries showing the result of the operations for each month. The District Treasuries should exercise control over the work of the Taluk Treasuries and verify the credits claimed in the collection column of the Taluk Statements; and they should, after verification, send to the Director of Industries and Commerce, a consolidated statement giving particulars of transactions in each Taluk.

(8) The Director will prepare a consolidated statement furnishing particulars by Districts including therein, also the stock remaining in his custody for the information of Government, a copy of the statement being also sent to the Comptroller. The Director will also submit a monthly statement to Government as well as to the Comptroller, showing the state of the advance account in respect of the measures at the end of each month. On receipt of these statements, the Comptroller will verify them in respect of the following two points:—

(*a*) Correctness of the amount shown in the collection column with the credits appearing in his accounts under the head of advances and the revenue head to which addition for reimbursement of incidental charges on account of packing, transport, commission to vendors, etc., is taken, and

(*b*) agreement of the balance of advances outstanding with the actual price of the stock of measures remaining unsold.

2. The Director is requested to have the measures delivered by the Mysore Premier Metal Factory duly tested and to send to the Taluk Treasuries for sale, such number of them as may be required by them and have a balance kept under proper custody in the stores attached to one of the Industrial concerns under his department. A stock book showing the receipts and issues from the stores will be maintained in the Director's Office for reference and check.

3. The Comptroller is requested to prescribe the forms of the necessary registers and the returns for the use and guidance of the District and the Taluk Treasuries.

B. SRINIVASA IYENGAR,
Secretary to Government,
Revenue Department.

Report of the Co-operative Department for 1924-25.

READ—

Report on the working of Co-operative Societies in the State during the year 1924-25 received with letter No. 2237—C. S., dated 16th November 1925, from the Registrar of Co-operative Societies.

ORDER No. I. C. 4417-76—C. S. 50-25-4, DATED 5TH JANUARY 1926.

Mr. K. H. Ramayya was in charge of the Co-operative Department throughout the year. To help the Registrar in the disposal of suits and office work and enable him to devote more time for inspections, Government sanctioned during the year, the appointment of one Sub-Assistant Registrar to do duty as Personal Assistant. Another Sub-Assistant Registrar was appointed to attend to the development of non-Credit Co-operation. The strength of the Inspectorate was at the same time reduced from 33 to 30. In addition to the twenty-three Honorary Supervisors working during the year, Government appointed five non-official Gentlemen as Honorary Organisers of Co-operative Societies.

2. During the year under report Government passed orders on the report of the Mysore Co-operative Committee, the more important of their recommendations being the formation of an Apex Bank for financing the primary Societies, the establishment of the Co-operative Institute for propaganda work and the development of Agricultural and Industrial Co-operation.

3. *Progress of Co-operation.*—The number of Co-operative Societies at the beginning of the year 1924-25 was 1,487 with 92,293 members; 82 new Societies were started and 95 existing Societies were wound up bringing the total number of Societies working at the close of the year to 1,474. The decrease in the number of Societies as well as in their membership is reported to be due to the weeding out of moribund Societies and the removal of recalcitrant members.

It is gratifying to note that there has been a steady expansion in the operation of the Societies. There was a rise in the aggregate working capital during the year from Rs. 87,44,945 to Rs. 92,21,614 and the Reserve Fund increased from Rs. 11,84,902 to Rs. 12,95,652. The total transactions of Societies amounted to Rs. 2,77,40,951 yielding a net profit of Rs. 4,03,214 as against Rs. 3,79,590 in the previous year.

Loans to the extent of Rs. 55,99,380 were issued by the Societies during the year, of which Rs. 38,84,463 or 69·9 per cent was for productive purposes and Rs. 12,33,124 or 21·5 per cent for paying off prior debts. Out of a total demand of Rs. 79,16,103 that accrued during the year, a sum of Rs. 53,19,669 or 69 per cent was collected. The unsatisfactory collection is attributed to the tightness of the money market. The continued attention and help of the department are necessary for speedy collection of the dues.

4. *Co-operation in the Malnad.*—Government observe with satisfaction that there has been some expansion of the Co-operative movement in the Malnad parts during the year owing to the special efforts put forth by the Department. The number of Societies increased from 212 to 278 with corresponding rise in their membership from 12,100 to 15,073 and in their working capital from Rs. 7,00,650 to Rs. 8,48,429. Of the eighteen Stores Societies existing in the Malnad, the two Areca Sale Societies at Heggodu and Hakkre are reported to have done very good work, in spite of adverse trade conditions and the failure of the areca crop in several gardens.

5. Government appointed during the year a Special Officer for conducting an economic survey of some typical places in the Malnad, with special reference to the investigation of the social and economic problems peculiar to that region. The report drawn up by the Special Officer was considered by a Committee appointed for the purpose. The report of the Committee has been received and is under consideration.

6. *Central Financing Institutions.*—The Bangalore Central Co-operative Bank, Ltd., and the Mysore Provincial Co-operative Bank continued to be the two chief central financing institutions in the State. Their working is reported to be satisfactory. The net profit of the Bangalore Central Co-operative Bank was Rs. 51,846 as against Rs. 49,879 in the previous year and that of the Mysore Provincial Co-operative Bank Rs. 15,292 showing an increase of about Rs. 3,200 over that of 1923-24, *viz.*, Rs. 13,045. The former Bank which confined its transactions to individual members sanctioned loans to the extent of Rs. 2,94,172 during the year and the latter loaned Rs. 1,82,744 to Societies as against Rs. 68,535 in the previous year.

Government have approved of the recommendations of the Mysore Co-operative Committee for the conversion of the Mysore Provincial Co-operative Bank into an Apex Bank for financing Co-operative Societies throughout the State, the Bangalore Central Co-operative Bank forming itself into an Urban Bank with transactions confined to individual members only. The Central Bank has accordingly discontinued to issue loans to Societies affiliated to it. These arrangements for reconstitution of the two Banks will be brought into full effect during the current year.

The Provincial Bank sanctioned a cash credit of Rs. 2,000 to the Petty Traders' Co-operative Society in the Bangalore City started under the auspices of the Propagandist Institute, with the object of giving small loans to the traders at a reasonable rate of interest and providing also facilities for daily repayment, so that they may not be forced to borrow at usurious rates from money lenders. This Society is reported to have become very popular. Government note with appreciation, the interest taken in the Co-operative movement by Rajakarya Prasakta Rao Bahadur M. Shama Rao under whose able Presidentship both the Provincial Co-operative Bank and the Propagandist Institute are doing much useful work.

7. *Working of Agricultural and Industrial Societies.*—The number of Agricultural Societies, *i.e.*, the Societies whose membership consisted mainly of Agricultural Classes, decreased from 1,184 to 1,164 of which 1,084 were pure credit Institutions. Similarly, Stores Societies decreased in number from 82 to 63 during the year. The bulk of the Societies in the State have been credit Institutions of the ordinary type, the non-credit Societies being only 102 in number. Of these, 39 were Weavers' Societies, 7 Sericulturists' Societies, 38 were Societies for the supply of seed manure and Agricultural implements, 3 for the sale of Agricultural produce and the remaining Societies were for the benefit of persons engaged in several minor industries. The special attention of the Department is required for the development and consolidation of these Societies. Now that a Sub-Assistant Registrar has been appointed to attend to them, it is hoped that better progress will be recorded in the coming year.

In addition to the Societies existing for the supply of seeds, agricultural implements, etc., to raiyats, about 100 credit societies are reported to have undertaken in addition to their usual business the purchase and supply to their members of improved seeds, manure, ploughs, implements, sprayers, etc. With a view to encourage the distribution of such articles to raiyats, through the agency of Co-operative Societies, Government sanctioned a sum of Rs. 8,000 for the grant of loans.

The Registrar's report of the working of the Mudgere Co-operative Society which is reported to have taken over the management of the Government Agricultural Depot at the place is awaited.

Government view with concern, the Registrar's report that the Weavers' Societies have not been working satisfactorily. The Department should study the needs of this class of Societies and devise measures for developing them on sound lines. The opinion of the Board of Industries and Commerce about the development of Industrial Co-operation has also been called for.

The number of sericultural Societies, increased during the year from 4 to 7. A sum of Rs. 2,800 was sanctioned for financing these Societies in the first instance and Government trust that the organisation of this class of Societies will meet the recurrent small needs of the local sericulturists and serve to develop the industry in the State.

8. *House-Building Societies.*—With a view to relieve the distress caused to persons who lost their houses during the heavy floods, House-Building Co-operative Societies were organised at Shimoga, Nanjangud, T.-Narsipur, Talkad and Ramanathpur and Government sanctioned at a concession rate of interest, loans to the extent of Rs. 1,25,000 for financing these Societies. The Societies thus started except the one at Ramanathpur, are reported to have arranged for the construction of houses. There has however been no improvement recorded in the working of the other House-Building Societies in urban areas. The Registrar is requested to investigate why these Societies are languishing and submit a report, in consultation with the Municipalities concerned, as to what measures are necessary for reviving them.

9. *Societies for Depressed Classes.*—It is reported that as against 50 Societies in existence in the previous year there were 39 Societies at the close of the year working for the exclusive benefit of the depressed classes with membership of 1,015 and capital of Rs. 7,244. For the amelioration of the condition of the depressed classes and the development of their Societies, Government have recently approved of certain recommendations of the Registrar and placed a sum of Rs. 2,000 at his disposal. The Registrar's report as to how far the special measures adopted have benefited them is awaited.

10. *Suits and Decrees.*—Out of a total number of 2,526 suits for disposal before the Officers of the Co-operative Department, 2,025 were disposed of, leaving a balance of 501 at the close of the year. As a result of the reduction of the court fee on plaints by 50 per cent, sanctioned in Government Order No. 6533-5—C. S. 54-23-4, dated 22nd April 1924, the stamp revenue realised on suits filed amounted to Rs. 6,003 as against Rs. 12,217 in the previous year. Only 1,139 decrees were executed by the Revenue authorities out of 5,040 decrees referred to them by the Officers of the Co-operative Department for execution. The progress in execution of the decrees has been very slow and dilatory. The Revenue Commissioner is requested to take suitable steps to have the execution proceedings in the Revenue Department pushed through without avoidable delay. Orders have issued for the entertainment of Special Sheikdars for executing decrees where the pendency is heavy and Government trust that in

future there will be considerable improvement in the execution of Co-operative decrees by the Revenue Department.

11. *Audit and Inspection.*—One thousand two hundred and seventy-eight Societies are reported to have been inspected during the year, the accounts of 865 Societies being fully audited and those of 262 being partially audited. Eighty-seven Societies made their own arrangements for getting their accounts audited by special auditors. Though there has been some improvement during the year under report in the inspection of Societies, continued attention is required to be paid by the departmental officers for audit and inspection, with a view to weed out Societies which are not functioning properly and consolidate and develop those which are in need of assistance from the Department.

12. *General.*—Government note that the administration of the Department during the year was on the whole satisfactory. There is, however, vast room for expansion in all directions. With the reconstitution of the two Central Financing Institutions as Apex and Urban Banks, the establishment of the Propagandist Institute for the training of workers and the spread of correct ideas of Co-operation and the enlistment of the support of men of light and leading as Honorary Organisers for the supervision and working of Societies, Government hope that the Co-operative movement will show continued advancement in the State.

B. SRINIVASA IYENGAR,
Secretary to Government,
Revenue Department.

Administration Report of the Industries and Commerce Department for the year 1924-25.

READ—

Letter No. G. 244—C., dated the 2nd September 1925, from the Director of Industries and Commerce in Mysore, forwarding the Administration Report of the Department of Industries and Commerce for the year 1924-25.

ORDER No. I. C. 4484—I. & C. 115-25-3, DATED 5TH JANUARY 1926.

Recorded.

2. *Personnel.*—Mr. D'Souza was in charge of the Department throughout the year. On the return of Mr. S. G. Sastry, the Industrial Chemist, from his deputation to the British Empire Exhibition at Wembley, his services were placed at the disposal of the Bhadravati Iron Works, the Industrial Assistant Mr. R. Ananthasubrahmanyam continuing to be in charge of the Government Soap Factory, in addition to his other duties.

The Industrial Engineer was placed in direct charge of the Central Industrial Workshop in addition to his other work. The State was divided into three divisions each in charge of a Superintendent of Industries, and the services of the Superintendent in charge of the Central Industrial Workshop were utilised, on abolition of that appointment, for the charge of one of the divisions.

3. *Industries under Investigation.*—Owing to financial depression which continued during the year, only the smaller schemes included in the programme of work, were carried out by the Department. A bulletin giving detailed information in respect of all large Industrial Establishments in the State, is said to be under preparation in the Department. The Publication of the bulletin is awaited with interest. Government note that the revised Statistical Abstract is about to be published shortly. In regard to the revision of the Industrial Survey in the State, the Director is requested to submit a separate report of the action taken so far and his further proposals in the matter for the consideration and orders of Government.

4. *Ordinary Industries.*—The aggregate capital invested in providing machinery, etc., for the ordinary Industrial concerns exclusive of working capital exceeded Rs. 5 lakhs. Considering the unfavourable conditions of the money market for the past few years, these are satisfactory results and testify to the growth of industrial enterprise among the people.

5. *Large Industries.*—The Bangalore Woollen, Cotton and Silk Mills and the Mysore Spinning and Manufacturing Co., made considerable extensions during the year. The new Minerva Mills started work with 25,000 spindles. The effects of depression in the cotton trade were specially marked in the case of new Mills, like the Sri Krishnarajendra Mills.

There was an abnormal fall in the prices of raw silk. This, together with the competition of artificial silk imported from abroad, has created new problems in the silk